

## Placer County Retirement Information and Resources

Following is general information regarding your retirement benefits and resources available to you to help you plan your retirement, whether your retirement is 25 years from now – or this year.

### CalPERS

Placer County contracts with CalPERS for your retirement benefits. Your retirement benefits are determined by the Placer County contract with CalPERS and governed by the California Public Employee's Retirement Law. CalPERS contract provisions and The Retirement Law are complex and subject to change. Please refer to the following resources for specific information and updates.

The CalPERS web site, [www.calpers.ca.gov](http://www.calpers.ca.gov) has information and tools to assist you in your retirement planning, including:

- **Retirement Planning Calculator** You can use the Retirement Planning Calculator to get an on-line and printable estimate of your potential retirement benefits based on your planned retirement date, your salary and other factors. Using the on-line Retirement Planning Calculator you can do several different estimates; changing factors such as your planned retirement date and changes in your salary.
- **Service Credit Cost Information and Worksheets** On this section of the CalPERS website you can review some of the most common questions and answers on service credit purchase options, who's eligible and how to request a purchase, payment options, and how this service can impact your future retirement benefits.
- **Publications Library** You can download or request copies of all of the CalPERS publications and retirement planning information.

You can contact CalPERS with any questions you have or to request publications at 888-CalPERS (225-7377). Phone representatives are available 7:00 a.m. to 5:30 p.m., Monday through Friday. A 24-hour message service allows you to leave a message to have a CalPERS representative call you or to request forms or publications.

### CalPERS Workshops You Can Attend

CalPERS' offers several free workshops you can attend to help you plan for your retirement. These workshops are offered at the Sacramento CalPERS office. These workshops include information on:

- How retirement benefits are calculated
- What to consider when deciding the best date to retire
- Benefit options available at retirement
- Taxability of retirement benefits
- Retirement application process
- CalPERS health benefits

If you are more than 10 years away from retirement you should attend the workshop: ***Achieving Financial Security***

If you are 10 or less years away from retirement you should attend the workshop: ***Retirement and Estate Planning***

A schedule of classes is available at [www.calpers.ca.gov](http://www.calpers.ca.gov). You can choose a workshop, location and date that is best for you, then you can register by:

- Calling 1-877-720-7377
- Registering on-line at [www.calpers.ca.gov](http://www.calpers.ca.gov)

## **CalPERS Service Retirement Overview**

Employees hired after January 1, 2013 will be follow the provisions set out covered by the Public Employees Pension Reform Act (PEPRA). New CalPERS members will be covered under the 2% @ 62 Miscellaneous formula or the 2.7% at 57 Safety formula. PEPRA employees can retire at age 52 with five (5) years of service. Classic CalPERS employees will be covered by the 2.0% at 55 Miscellaneous employees and 3.0% @ 55 Safety formula and need at least five (5) years of service in the California Public Employees Retirement System (CalPERS) and be at least age fifty (50) to retire. CalPERS will calculate your monthly retirement allowance using three factors: Service Credit, the Benefit Factor(s), and your Adjusted Final Compensation. You should consider all of these factors in determining your retirement date.

### **Service Credit**

You earn service credit for each year or partial year you work for a CalPERS-covered employer. It accumulates on a fiscal year basis, July 1 through June 30. To earn a full year of service credit during a fiscal year, you must work at least 1,720 hours or 10 months full-time.

Service credit for CalPERS retirement purposes is different than seniority hours used by Placer County for other benefits.

Please note, purchased Military Service Credit time does not count toward the five (5) years of Service Credit necessary for retirement; in order to retire with CalPERS benefits, you would need five (5) years of “earned” Service Credit with a CalPERS agency. Military Service Credit is then added on in determining your benefits.

### **Benefit Factors**

The Benefit Factor is the percent of pay to which you are entitled for each year of Service Credit. Placer County employees are covered under two different retirement formulas depending on job classification:

- CalPERS Local Miscellaneous 2.0% @ 62 (For employees hired on or after 1/1/2013)
- CalPERS Local Safety 2.7% @ 57 (For employees hired on or after 1/1/2013)
- CalPERS Local Safety 3% @ 55 (For Classic employees as defined by PEPRA prior to 1/1/2013)
- CalPERS Local Miscellaneous 2% @ 55 (For Classic employees as defined by PEPRA prior to 1/1/2013)

Benefit tables can be found in the publications “*Your Benefits Your Future Local Benefits*” and “*Your Benefits Your Future Local Safety*” by contacting CalPERS at 888-CalPERS (225-7377), downloading or ordering the publication from the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). A copy can also be found in the County’s shared access V-drive in: V:\Personnel\Benefits\Retirement Information or by calling the Placer County Personnel Department at 530-889-4060.

## **CalPERS Adjusted Final Compensation**

CalPERS will calculate your monthly retirement allowance using your average monthly pay rate over a consecutive 36 month period of employment with Placer County. It is based on the full time pay rate, not earnings. If you work part-time, your Adjusted Final Compensation will be based on a full time pay rate. Normally, the 36 months prior to your retirement is your highest pay rate. However, there may be instances where this could be a different period of time. If this is the case, you will need to designate the higher 36 month period on your retirement application.

Your CalPERS monthly compensation includes your base rate of pay and some in some cases special compensation. This includes: shift differential, educational incentives, Tahoe subsidy, other differentials (e.g., bomb squad, ACCESS, etc.). This does NOT include overtime, vacation, CTO or Management Leave cash-outs. It also does NOT include the cafeteria plan contribution, Tahoe Rural Health subsidy or stand-by pay. For PEPRAs members it does not include Uniform Allowance as well.

As a Placer County employee you pay into Social Security and our CalPERS contract coordinates with Social Security. Because of this, CalPERS makes a one time adjustment, or offset, of \$133.33 to your monthly compensation when calculating your retirement allowance. This is not an adjustment to your check every month, but a one-time adjustment for calculation purposes. If you use the Retirement Planning Calculator on the CalPERS web site, the calculator will automatically adjust for the Social Security offset if, when you are asked, "Does your employer coordinate with Social Security?" you select "Yes."

## **Service Credit with Other CalPERS Agencies – Benefit Factors**

If you have worked for other CalPERS agencies the Service Credit you earned with those agencies will be included on your annual CalPERS statement and will be used in determining your CalPERS retirement benefits. Your retirement benefit will be based on the Benefit Formula for each agency and your earned Service Credit with that agency. In most cases, the Benefit Formula used is the Benefit Formula in place at the time you terminated employment with that agency. You will need to work with the other CalPERS covered agency and/or CalPERS in determining the appropriate Benefit Formula(s) for your situation.

## **Reciprocity**

If you have service with other public agencies with retirement benefits other than CalPERS, you may be able to coordinate your retirement with these systems. CalPERS has an agreement with many other public retirement systems that allows movement from public employer to public employer, within a specified time limit, without losing valuable retirement rights and related benefits. This is called "reciprocity." You will need to contact your former employer for information regarding retirement and reciprocity. The publication, *"When You Change Retirement Systems"* is available from CalPERS with more information regarding reciprocity.

## **Service Credit Purchases**

Employees in certain situations may be eligible to purchase additional Service Credit. These situations include:

- If you worked for other public agencies with CalPERS retirement benefits, and withdrew CalPERS contributions when you left;
- If you took time off after the birth or adoption of a child (Maternity/Paternity Leave);
- If you worked as Extra Help;
- If you served in active military duty;
- You have had a Leave of Absence (limitations apply); and/or

For any Service Credit purchase you will need to work directly with CalPERS to determine the cost and payment options. The publication *A Guide to Your CalPERS Service Credit Options* is available to assist you in determining if this makes sense for your situation. You must submit a service credit purchase estimate with your application and this calculation must be obtained from the CalPERS website: [www.calpers.ca.gov](http://www.calpers.ca.gov).

## **Placer County Benefits in Retirement**

### **Retiree Medical Insurance**

The County contracts with CalPERS for medical insurance for employees, retirees and their eligible dependents. Retirees have the same medical benefit plan choices as active employees, based upon the retiree's residence zip code. In order to be eligible for medical insurance benefits you must have five (5) years of CalPERS service and retire within 120 days of leaving employment with Placer County. You are not eligible to be enrolled at retirement or at any future date, if your effective date of retirement is more than 120 days after separation from employment with Placer County.

You may continue to cover your spouse or registered domestic partner and eligible dependents as a retiree. If your spouse or registered domestic partner and eligible dependents are included in your CalPERS medical plan at the time of your death, their enrollment will be continued automatically if they are eligible to receive a monthly allowance.

For employees hired prior to January 1, 2005 the County currently pays at the same medical insurance *employer contribution* for retirees as it does for active employees. Retirees currently pay the same medical insurance *employee/retiree contribution*. Therefore, if there is a change in the contribution rate for active employees, it will affect you as a retiree as well.

For employees hired after January 1, 2005, retirees must have 10 years of CalPERS service, 5 years of which must have been with Placer County before becoming eligible for a graduated benefit. The percentage of the medical insurance *employer contribution* starts at 50% with 10 years of CalPERS service, (5 years of which must have been with Placer County) and increasing 5% for each additional year of service to a maximum *employer contribution* of 100% at 20 years. Different regulations apply to Disability Retirement.

The employer contribution is a negotiated benefit and is subject to change with labor contract amendments. CalPERS' reviews the medical insurance plans and premiums annually. Medical insurance premium changes, employer contributions and employee/retiree premium contributions are subject to change each January.

### **Retiree Dental Insurance Eligibility**

The County contracts with Delta Dental for dental insurance for employees, retirees and their eligible dependents. In order to be eligible for dental insurance benefits you must retire within **30 days** of leaving employment with Placer County. You may continue to cover your spouse or registered domestic partner and eligible dependents as a retiree. Upon your death, your spouse or registered domestic partner and eligible dependents may be eligible for dental coverage under COBRA continuation coverage rules.

The County currently pays at the same dental insurance *employer contribution* for retirees as it does for active employees. Retirees currently pay the same dental insurance *employee/retiree contribution*.

Therefore, if there is a change in the contribution rate for active employees, it will affect you as a retiree as well. This is a negotiated benefit and is subject to change with labor contract amendments. Delta Dental and the County review the dental insurance plan and premium annually. Dental insurance premium changes, employer contributions and employee/retiree contributions are subject to change each July.

For employees hired after October 14, 2010 there is no retiree dental coverage. COBRA continuation of coverage will be offered at the retiree's expense for a period not to exceed 36 months.

### **Retiree Vision Insurance**

The County contracts with Vision Service Plan (VSP) for vision insurance for employees and their eligible dependents. This contract does not provide coverage to our retirees. However, you may be eligible for a limited period of time of vision insurance coverage under the federal COBRA and CalCOBRA continuation coverage rules. The retiree pays the full insurance premium for these benefits.

### **More Information**

More information about your retirement benefits is available on the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov), and the County's shared access V-drive under: V:\Personnel\Benefits\Retirement Information.

If you are planning to retire **this year**, you should review the document "*Retirement Planning Information for Placer County Employees*", available from the Placer County Personnel department and in the County's shared access V-drive. You should also attend the Placer County Workshop – *Stepping Into Retirement*; this workshop has information on retirement payment options, health benefits, County policies, and options regarding vacation and sick leave and instructions for completing the Service Retirement Application. This workshop is offered through Placer County in conjunction with CalPERS. Information on scheduled workshops can be found in the County's shared access V-drive in: V:\Personnel\Benefits\Retirement Information. To register for this workshop contact the Placer County Personnel Department at 530-889-4060.